

Maryland

Maryland Treats Working-Poor Families Under Its Income Tax Better Than Most States

Maryland's 2005 income tax threshold

(The income level at which families begin paying income tax)

Rank among the 42 states with income taxes
(1 = lowest threshold)

- For single-parent families of three: \$28,200 39
- For two-parent families of four: \$30,300 37

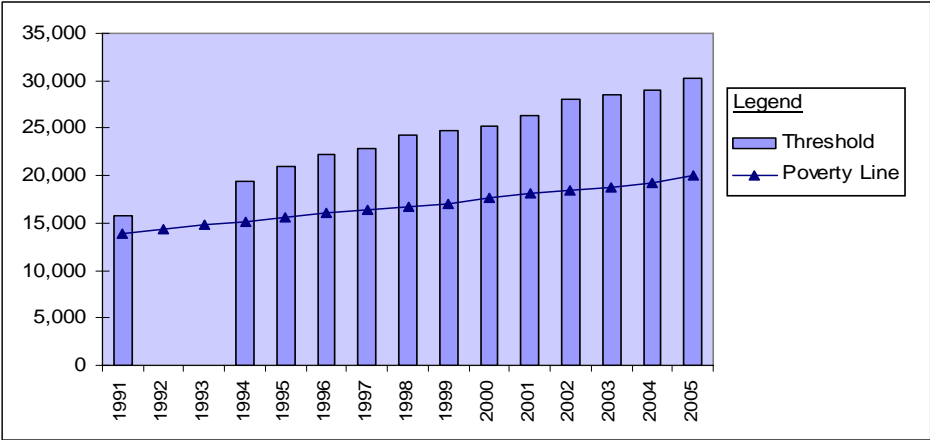
Maryland's 2005 income tax levied on working-poor

- For families of three with incomes at the poverty line (\$15,577): \$626 refund 37
- For families of four with incomes at the poverty line (\$19,961): \$430 refund 36
- For families of three with minimum-wage earnings (\$10,712): \$847 refund 37
- For families of three with incomes at 125% of poverty line (\$19,471): \$277 refund 35
- For families of four with incomes at 125% of poverty line (\$24,951): \$18 refund 36

Maryland has consistently increased its tax thresholds compared to the poverty line.

- In 1991, a family of four owed income tax when its income reached 13 percent above the poverty line. By 2005, Maryland's tax threshold had grown to 52 percent about the poverty line.
- Maryland provides a refundable Earned Income Tax Credit to help poor families work their way out of poverty. At \$430, Maryland's refund for families of four at the poverty line is among the seven largest in the nation.

Income Tax Threshold for Family of Four



Year	Threshold
1991	\$15,800
1992	no data
1993	no data
1994	\$19,400
1995	\$20,900
1996	\$22,300
1997	\$22,900
1998	\$24,300
1999	\$24,800
2000	\$25,200
2001	\$26,300
2002	\$28,100
2003	\$28,500
2004	\$29,000
2005	\$30,300



Source: Center on Budget and Policy Priorities, *The Impact of State Income Taxes on Low-Income Families in 2005*. Available online at: <http://www.cbpp.org/2-22-06sfp.htm>.